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Livestock and Meat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

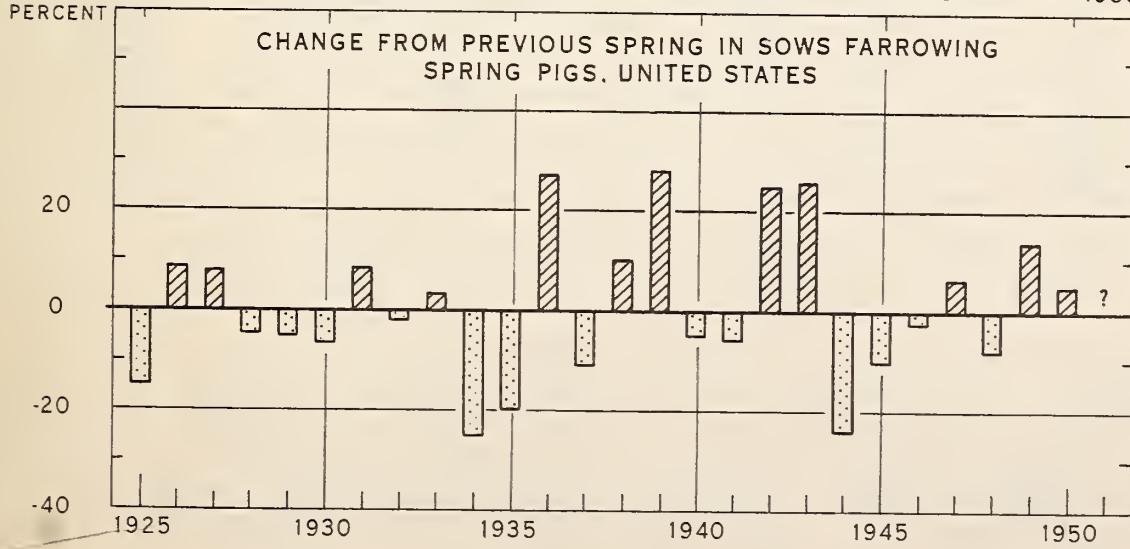
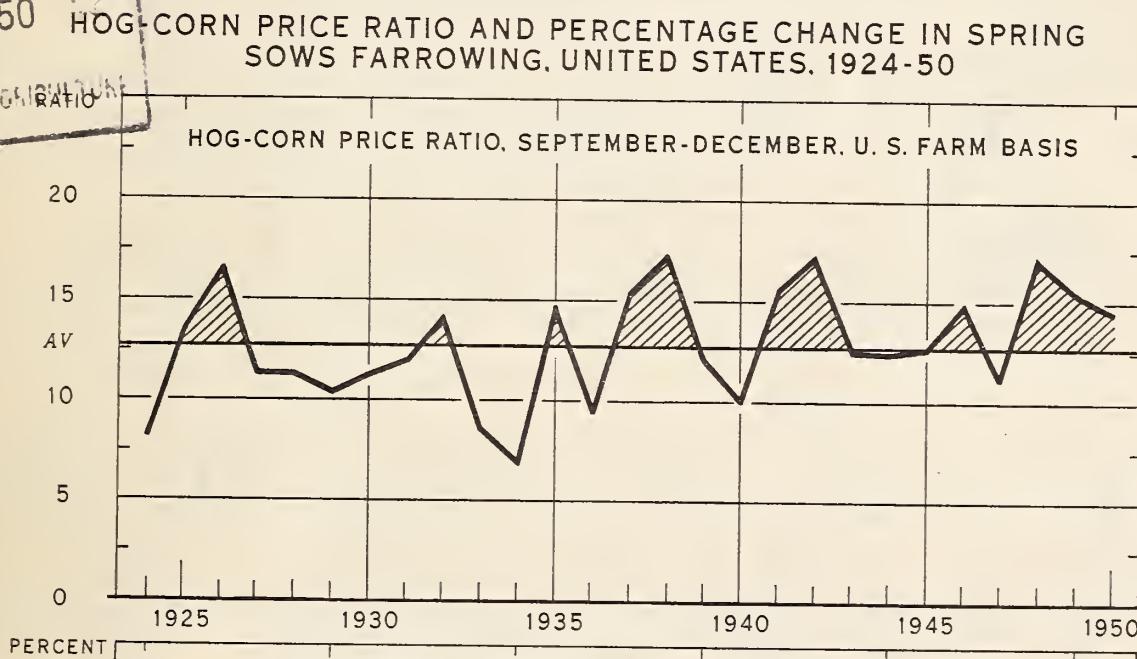
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HOG-CORN PRICE RATIO AND PERCENTAGE CHANGE IN SPRING
SOWS FARROWING, UNITED STATES, 1924-50
DEPARTMENT OF AGRICULTURE

In this issue:
Locker and home freezers
Number and location of commercial slaughterers



U. S. DEPARTMENT OF AGRICULTURE

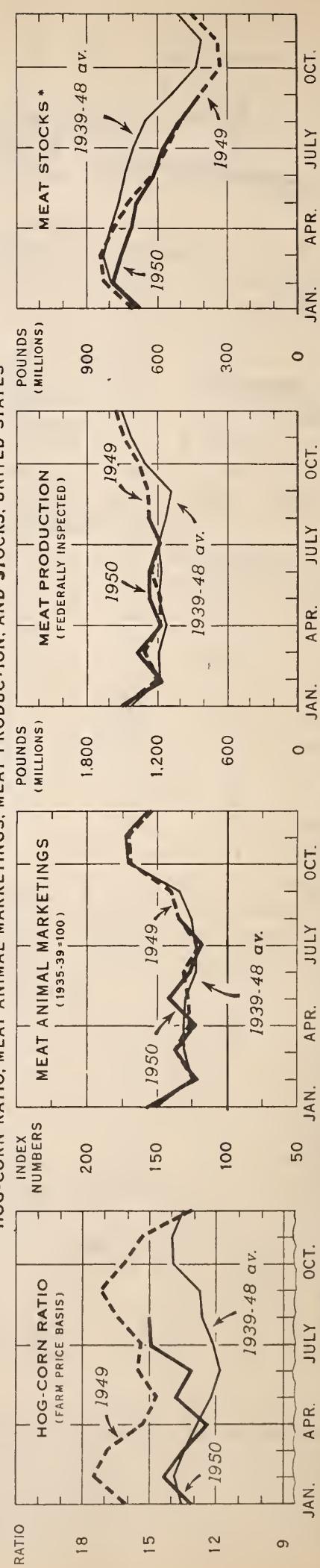
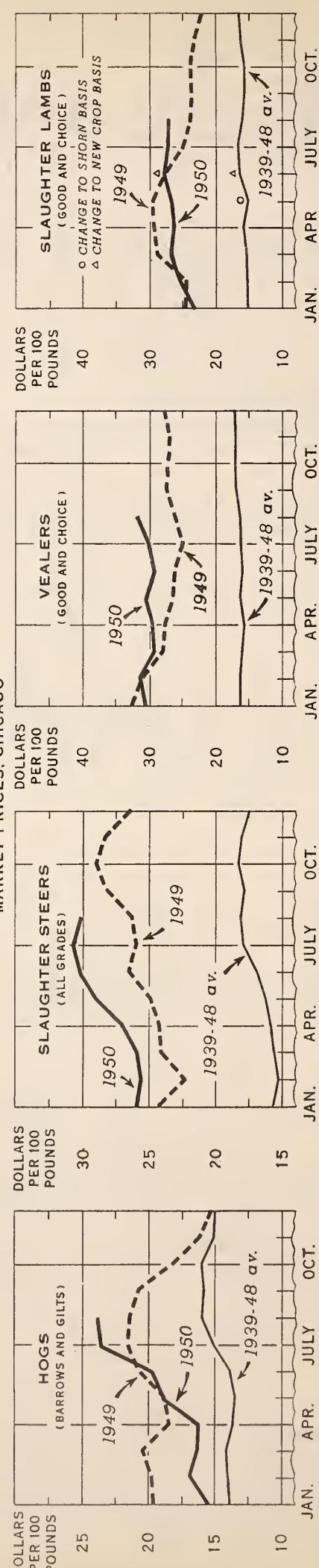
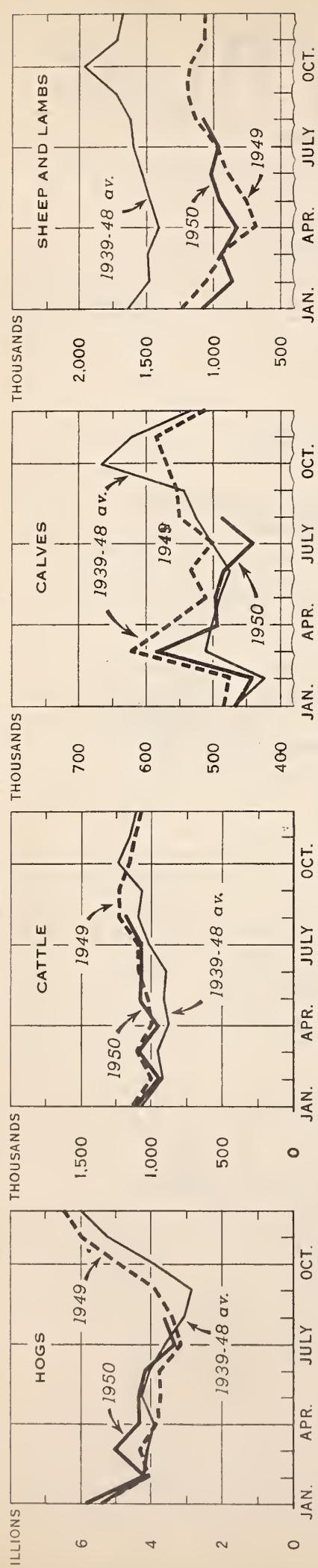
NEG. 47500 BUREAU OF AGRICULTURAL ECONOMICS

The hog-corn price ratio promises to be above average this fall for the third year in a row. Based on past experiences, this ratio may be followed by a third successive increase in the number of sows to farrow spring pigs. Other

factors pointing to a larger 1951 spring pig crop are the pick-up in demand and price for meat in 1950, the prospects for a strong demand in 1951, and the large feed supplies to be available this fall.

LIVESTOCK AND MEAT SITUATION

FEDERALLY INSPECTED SLAUGHTER, UNITED STATES



905

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, September 25, 1950

SUMMARY

Slaughter of meat animals began to increase seasonally in August and early September, and is expected to increase through much of the fall. The larger supplies of meat are likely to have more effect on prices than will any further strengthening of demand resulting from defense expenditures. About the usual seasonal decline is expected in prices of hogs, and prices of other meat animals may be somewhat lower at times of largest marketings. No strong upward trend in prices is expected until after the turn of the year.

Hog slaughter has increased since mid-August. Slaughter was below a year earlier in late August and early September because sow marketings decreased earlier than last year while substantial marketings of barrows and gilts from the spring pig crop began about two weeks later. By mid-September hog slaughter was again above the 1949 level, and it is expected to continue higher the rest of the year.

Slaughter weights of hogs in mid-September were the lightest of the year but not quite as light as in September last year. Weights are expected to increase seasonally during the fall, and to average a little heavier than last fall.

Hog prices advanced during August to the highest level in nearly two years as demand was strong for the seasonally small supply. With the increasing receipts of new-crop hogs, prices were down moderately by the first of September. Because of strong demand, prices of hogs may decline no more than about the average 18-20 percent from early fall to December, and probably will remain above last year's prices. Prices are likely to advance early next year when marketings are seasonally reduced.

The fall increase in cattle slaughter also began late in August. With fewer cattle from range areas to date this year, the number of cattle slaughtered in the first half of September was below the corresponding 1949 level. However, slaughter was at its peak in mid-September last year. This year, slaughter is expected to reach its peak in October or early November. In the last three months cattle slaughter will probably total larger than a year earlier.

Prices of cattle in early September held close to the level of the previous three months. Spreads between top and lower grades continued narrow. Cattle prices may weaken somewhat when marketings reach a peak, although demand both for slaughter cattle and for cattle to go on feed will have a strong supporting effect.

Veal calf prices edged to an all-time high the week ending September 16. No great change is expected the rest of the year.

Sheep and lamb slaughter picked up seasonally in September as receipts from western range areas increased. Slaughter has recently been smaller than in 1949 and is likely to continue smaller through the remainder of the year. Prices of sheep and lambs, now well above last year's prices, are not expected to drop much.

The 1951 spring pig crop probably will be larger than this year's crop. The hog-corn ratio during the breeding season this fall promises to be well above average--a situation which almost always leads to an increase in farrowings in the spring. Alternative feeding activities may be limited, since supplies of feeder cattle and feeder lambs are relatively short.

Feed supplies per animal unit this fall are expected to be as large as the record supply of a year ago. The corn crop promises to be the fourth largest and stocks are very large. The 1950 crop, however, will be below average in quality. Supplies of other feed grains and concentrates will be ample. Although the 1950 crop may not provide for additional production of hogs, a substantial part of the large corn carry-over will be available at near the 1950 loan price. The farm price of corn may be below the loan this fall, but is expected to rise seasonally during the winter and spring.

Price controls on meat animals as well as other farm products are authorized by the Defense Production Act of 1950. Price ceilings can be no lower than parity prices or the highest prices actually received between May 24 and June 24, 1950, whichever is higher, but with adjustments to be made for seasonality as well as grade and location. In that period, prices for beef cattle, veal calves and lambs were well above parity, and the highest actual prices at that time, as adjusted, would determine for some time ahead the minimum level at which any ceiling could be set. Prices of hogs were near parity in the May 24-June 24 period. Parity is likely to be more important with respect to ceilings for hogs than for other meat animals. As of September 15, prices of all meat animals except hogs had not advanced greatly over the highest May 24-June 24 prices, and the gain in hog prices was largely seasonal. Hence, September prices were probably a little below the range of the control standards, but any sizable advances above September would put them within that range.

REVIEW AND OUTLOOK

Hog Slaughter Rising Seasonally

Hog slaughter began its seasonal increase late in August as the southern and eastern Corn Belt sent large shipments of hogs from the 1950 spring pig crop. The movement of new-crop hogs got under way about two weeks later than last year--when it was especially early.

Sow marketings, on the other hand, were earlier this year than last and declined steadily after mid-July. In August and early September sow marketings were a smaller percentage of total hog marketings than they were a year before.

With sow marketings decreasing earlier and new-crop barrows and gilts arriving later, total hog slaughter the second half of August and first part of September was smaller than last year. Previously this year, slaughter had been larger than in 1949, and by mid-September it was again larger.

As was to be expected, many of the first marketings of hogs from the 1950 spring pig crop were light in weight. The average weight of barrows and gilts received at 7 markets declined seasonally during August and in the first half of September was down to 212 pounds. In early September last year weights were at their 1949 low of only 208 pounds. Weights are expected to increase during the rest of 1950 and to continue a little heavier than last year.

The 1950 spring pig crop, source of fall marketings, was 3 percent larger than the 1949 spring crop. Hence, it is expected that more hogs will be marketed and more pork produced the rest of the year than a year earlier.

In almost every year, prices of hogs increase during the summer, when market receipts are small, then decline during the fall months as hogs from the spring farrowings are marketed. With certain exceptions, prices have followed this pattern so far this year, and a normal trend is expected through the fall. Due to strong demand and smaller supplies, prices of hogs advanced in August to the highest levels in nearly two years. Prices declined moderately about the first of September, with prices of light weight hogs off most. Because of strong consumer demand prices may decline no more than about the average 18-20 percent this fall despite the increased supply, and will probably stay above a year earlier.

Cattle Slaughter Also on Seasonal Increase

Cattle slaughter in August was smaller than last year, but beef production was a little larger. A higher percentage of the slaughter this August was fed cattle, resulting in a considerably heavier average weight per head.

Cattle slaughter increased from August to September because of larger marketings from both feed lots and ranches, but through the middle of September continued below 1949. However, mid-September slaughter last year was the year's peak. Slaughter is expected to increase to an October or early November peak this year and to exceed last year as a total for the last three months.

Western grass cattle have been coming to market later this year than last. Receipts of cattle classed as "grass" at 7 markets during the seven weeks ending September 16 were only 52 percent as large as in the same period last year. Smaller movements of cattle off range also show up in smaller receipts of stocker and feeder cattle. Stocker and feeder receipts at 5 markets in the same seven weeks were 29 percent under last year.

Better conditions in the range States this September than last are one reason for the later marketings of cattle. The reported condition of range feed in the western States on September 1 was considerably better than on the same date of 1949. Improvement over last year is most marked in the northern range States, where drought prevailed in 1949. However, in Colorado, southern Texas, northwest New Mexico, and some local areas of other States conditions are poor to fair this fall because of dry weather.

Cattle Held in Range Country or
Contracted Will Restrict
Feeder, Slaughter Supplies

There probably are more cattle in the range States this year than last. However, more will probably be kept for breeding and for feeding in those States this year. The western States have shown in recent years a growing interest in feeding cattle for western markets. The number of cattle on feed there rose to a record high on January 1, 1949. Numbers were down slightly by January 1950, but reports of wide activity in feeding and of favorable conditions in much of the wheat grazing country point to a continued high number on feed in western States this winter.

Contracting of feeder stock appears to be at a much higher level than last year. This is another reason for expecting the salable supply of feeder cattle this fall at Corn Belt markets to be down from last year, when receipts were swollen by large marketings from drought areas of the West.

Soft Corn Would Increase Feeder
Demand for Cattle, Prolong
Period of Large Slaughter

The corn crop is late this year, and much of it will be soft unless frosts are also late. If there is much soft corn, demand for feeder cattle, already very strong, will be intensified. Many partly-finished cattle, and many two-way cattle, would be held for feeding on the soft corn. Cattle slaughter would be somewhat smaller than previous expectations in mid-fall, and a little larger later.

Cattle Prices Steady
in September

Cattle prices were holding close to summertime levels in early September. Continued large supplies of well-finished cattle are expected to press down on prices of this grade. Demand for breeding and feeder stock may limit supplies of grass cattle for slaughter, preventing any marked decline in prices of the lower grades. The price spread between grades thus may widen only slowly and remain narrower than last fall.

Prices of veal calves edged higher during early September, reaching an all-time high the week ending September 16. No great change is expected the rest of this year.

Sheep Slaughter Below 1949

Sheep and lamb slaughter increased in recent weeks due to larger receipts from western range areas. Slaughter numbers remained below last year, as they have been since mid-July. Indications are that a larger than usual proportion of the 1950 lamb crop had been marketed by August 1. This evidence together with the moderately smaller lamb crop points to a smaller slaughter during the rest of the year than in the closing months of 1949. Due partly to increased contracting of feeder lambs, the October peak in slaughter probably will be less pronounced this year than in most years.

Federally inspected slaughter of mature sheep during the first seven months of this year was over 10 percent greater than in the corresponding months last year. Slaughter of lambs and yearlings was less than 1 percent greater. There has apparently been considerable replacement of older ewes. It is possible that the slaughter of sheep and lambs the rest of the year will be small enough to hold the inventory of sheep and of lambs next January 1 nearly up to the January 1950 level.

Sheep, Wool Prices Above 1949

Prices of sheep and lambs have been unusually steady this summer and early fall. Prices at mid-September were substantially above a year previous. No more than a moderate decline is likely in the next month or two, and by the end of the year prices will probably be at or above their present level.

Wool prices increased sharply this year, after having been fairly steady in 1948 and 1949 due in part to the stability afforded by support purchases. The average price of 58.3 cents received by farmers August 15 was 21 percent above the price a year earlier and within 1.7 cents per pound of the record high reached in World War I.

USDA Report Points toResources for More Sheep

The United States has the resources for a one-third increase in sheep production and there is a ready demand for the lambs and wool that this added production would provide. This is a conclusion presented in Domestic Wool Requirements and Sources of Supply, released by the Production and Marketing Administration and BAE. The numbers indicated would be approximately midway between the 30.8 million head on farms January 1 this year and the 1942 high of 56.2 million. Increases would be most feasible in the Western Corn Belt, Great Plains, and Mountain States.

Continued Increases in HogProduction Likely

Farmers reported on June 1 this year that they intended to breed about 5 percent more sows for 1950 fall farrowing than a year earlier.

Since then, the price of hogs has gone up and the hog-corn ratio has become progressively more favorable to hog producers. These changes, and the new military program, developed too late to permit farmers to increase fall farrowings much above the level they had intended earlier. But the increase in fall litters probably will be at least as large as was indicated on June 1.

There will probably also be an increase in the number of 1951 spring pigs. In almost every year since 1925 a September-December hog-corn ratio above 12.8 to 1 was followed by an increase in numbers of sows farrowing the following spring. (See cover chart and table 1.) The ratio on August 15 this year was 15.0, and for the fall--the breeding season for spring pigs--it may average around 14.5. Certain factors, such as the large scale of present hog-raising operations and the availability of storage loans on corn to eligible producers, will tend to limit further expansion in production. However, these are not new factors. They were important last year and in 1948 as well. The small increase of only a few cents per bushel in the loan rate for corn this fall compared with last, and the eligibility requirement for loans, will in fact make the corn storage program a less restrictive influence this year. Moreover, livestock feeders will find comparatively few opportunities for feeding operations other than raising more hogs. The supply of feeder cattle and lambs is limited this year. Also, dairy production is practically stable, and while output of most poultry items is expanding, total feed requirements for poultry are relatively small.

Livestock feeding in the months ahead will be encouraged by very large feed supplies. The corn crop for harvest this fall was indicated on September 1 at 3,163 million bushels. Crops of oats and barley are greater than last year. The grain sorghum crop will be near record. In addition, carry-overs of these feed grains are unusually large. The supply of all concentrates (including byproduct feeds) per animal unit in prospect for the feeding year beginning October 1950 is estimated to be about the same as the record of last year.

The 1950-51 corn supply--1950 crop plus carry-over--is estimated to be only about 2 percent less than the supply last year and will be more than adequate for all requirements. More of the supply this fall, however, is expected to be held under Government loan or ownership. Since domestic use of corn in the 1949-50 year ending this September 30 was about 3,150 million bushels, a 1950 crop of no more than 3,163 million bushels would indicate that some corn would have to be withdrawn from storage in order for livestock production to increase.

It may be assumed that the current corn crop will be available for domestic use at prices averaging about the loan rate for the season as a whole. At about the same prices, some additional quantities may be expected to move into consumption out of storage, both out of "free" stocks on farms and out of resealed stocks. These supplies and prices are probably not unfavorable for a moderate expansion in hog production, in view of current and prospective prices for hogs. It is nevertheless possible that in case of severe frost damage to the 1950 corn crop, reducing both the supply and the quality, or of greatly expanded livestock production, increasing the needs for corn, the only additional corn available would be the higher-cost reserves such as CCC stocks. Under these circumstances there would be more upward pressure on corn prices.

Table 1.- Hog-corn price ratio during fall breeding season, arrayed according to United States ratio, and number of sows farrowing following spring, 1924-50

(Data for cover page chart)

| Year | Hog-corn price ratio | | Number of sows farrowing | | | Increase or decrease from preceding spring in sows farrowing | |
|------|-----------------------|----------------------|--------------------------|------------|------------------------------------|--|--|
| | September-December 1/ | | sows | | preceding spring in sows farrowing | | |
| | United States | North Central States | farrowing following | Number | Percent | | |
| | | | 1,000 head | 1,000 head | | | |
| 1938 | 17.2 | 18.8 | 8,692 | 1,897 | 27.9 | | |
| 1942 | 17.2 | 18.4 | 12,174 | 2,490 | 25.7 | | |
| 1948 | 17.1 | 17.5 | 9,054 | 1,090 | 13.7 | | |
| 1926 | 16.6 | 17.5 | 9,754 | 706 | 7.8 | | |
| 1941 | 15.5 | 16.3 | 9,684 | 1,924 | 24.8 | | |
| 1949 | 15.4 | 15.8 | 9,518 | 464 | 5.1 | | |
| 1937 | 15.3 | 16.7 | 6,795 | 618 | 10.0 | | |
| 1946 | 14.8 | 15.6 | 8,652 | 543 | 6.7 | | |
| 1935 | 14.7 | 15.8 | 6,954 | 1,487 | 27.2 | | |
| 1950 | 2/14.5 | --- | --- | --- | --- | | |
| 1932 | 14.2 | 17.4 | 9,122 | 312 | 3.5 | | |
| 1925 | 13.5 | 15.3 | 9,048 | 714 | 8.6 | | |
| 1945 | 12.7 | 13.5 | 8,109 | -189 | -2.3 | | |
| 1943 | 12.4 | 13.4 | 9,246 | -2,928 | -24.1 | | |
| 1944 | 12.3 | 13.4 | 8,298 | -948 | -10.3 | | |
| 1939 | 12.0 | 13.3 | 8,247 | -445 | -5.1 | | |
| 1931 | 12.0 | 13.0 | 8,810 | -159 | -1.8 | | |
| 1947 | 11.2 | 11.2 | 7,964 | -688 | -8.0 | | |
| 1927 | 11.2 | 11.6 | 9,301 | -453 | -4.6 | | |
| 1928 | 11.2 | 12.2 | 8,854 | -447 | -4.8 | | |
| 1930 | 11.2 | 12.3 | 8,969 | 691 | 8.3 | | |
| 1929 | 10.3 | 10.9 | 8,278 | -576 | -6.5 | | |
| 1940 | 10.0 | 10.6 | 7,760 | -487 | -5.9 | | |
| 1936 | 9.4 | 9.4 | 6,177 | -777 | -11.2 | | |
| 1933 | 8.6 | 10.2 | 6,825 | -2,297 | -25.2 | | |
| 1924 | 8.2 | 8.7 | 8,334 | -1,465 | -15.0 | | |
| 1934 | 6.8 | 7.0 | 5,467 | -1,358 | -19.9 | | |

1/ Based on prices received by farmers.

2/ Partly forecast.

The price of feed is only one of the factors to be considered in any appraisal of livestock production in 1951. Demand for meat, a second important factor, seems likely to strengthen as consumer incomes rise further. The net effect on meat prices will depend largely on the extent of increases in personal incomes as limited by other demands on the consumer's dollar and by Governmental fiscal policies or controls. Controls outlined or imposed do not appear stringent enough to prevent an increase in demand for meat.

Moreover, experiences in the previous defense, war and early postwar years demonstrated that, during a short-run increase in demand for meat, a sizable expansion in meat supplies is necessary to prevent strong upward pressure on prices. If demand does expand in the future, it is likely that a moderately larger meat supply could be consumed without much change in prices.

All these factors, taken together, point to an increase in hog production in the coming year--possibly an increase of around 5 percent for the 1951 spring pig crop.

Price Controls Authorized;
None Announced

The Defense Production Act of 1950 provides for a number of controls on the national economy, including authority for priorities, allocations, and requisitioning; expansion of productive capacity and supply; price and wage stabilization; settlement of labor disputes; credit control; and certain others. If applied, these controls would have a far-reaching effect on the national economy and on the demand for meat.

With respect to price stabilization, the Act specifies that any ceilings on farm products cannot be lower than the higher of two prices--parity price, or the highest actual prices received by producers between May 24 and June 24, 1950, as they might be adjusted for seasonality, grade or location. Prices of all meat animals except hogs were well above parity in that period (table 2.) Thus at the lowest level that could be imposed, ceilings on prices of beef cattle, veal calves, and lambs could be no lower than the highest prices in May 24-June 24 as they might be adjusted. The minimum level of ceilings on hog prices, as adjusted, would likely be affected by parity. As of mid-September there had been virtually no increases in prices of beef cattle and lambs over the highest May 24-June 24 prices, and a moderate increase in prices of veal calves. Hog prices rose more, but the gain was largely seasonal. Consequently, the maximum possible cutbacks as of mid-September would be small. Any sizable increases in prices over the level prevailing in mid-September would probably put them in the range of authority for control.

The data in table 2 are illustrative, and will not be entirely applicable to the future, if parity prices should themselves change substantially.

There has been no indication of when or how the authority for price controls will be applied. The President announced on September 9 that widespread controls were not due soon.

Table 2.- Illustrative data relative to limitations to price controls on meat animals contained in Defense Production Act of 1950

| Calculated without regard to differentials for grade, location or season | | | |
|--|---|------------------------------|--|
| Class | Percent of parity of price received by meat animals | Applicable provision | Percent of parity received by farmers, August 15, 1950 |
| Beef cattle | 137 | Highest May 24-June 24 price | 138 |
| Veal calves | 134 | do. | 139 |
| Lambs | 130 | do. | 129 |
| Hogs | 93 | Probably parity 3/ | 4/111 |

1/ June 15 is only date for which farmers' prices are available in the May 24-June 24 period. 2/ This indication holds true only so long as calculated parity prices do not change materially. 3/ Provision as to parity as a minimum ceiling for hog prices would be affected by seasonal adjustments. 4/ Seasonally high on the date.

Canada to Lift Ban
on Pork Shipments

The Canadian Government has announced that import and export restrictions on pork and pork products to and from Canada will soon be lifted. The announcement indicates that the prohibition on imports of fresh pork and preserved bacon, hams, shoulders, and other pork products will be lifted December 31. Canadian officials have indicated also that as soon as the British bacon contract is filled, the ban on exports as well as imports will be removed. It is possible that this contract will be filled early in December.

The lifting of these embargoes would place all trading in livestock and meats between Canada and the United States on a prewar basis since in August 1948 Canada removed controls on exports of almost all other classes of meat and slaughter animals. In the absence of further controls, trading in livestock and meats will depend largely on the relative price differentials between the two countries, as affected by import duties and quotas of the United States.

Trading in pork between the United States and Canada has usually been small. Exports from the United States to Canada averaged 21.0 million pounds, product weight, annually in 1937-41, and imports from Canada were 8.4 million pounds.

LOCKER AND HOME FREEZERS AS FACTORS IN SEASONALITY OF DEMAND FOR MEAT

The short-run demand for cuts of fresh meat at retail is affected by the quantity of meat put into consumers' cold storage. In recent years the facilities available to consumers have increased greatly. The number of refrigerators in homes is steadily increasing. Deep freeze units are becoming more popular, and frozen food lockers, which first came into broad acceptance in the 1930's, continue in widespread use. The number of consumers who can hold fresh meat after slaughter or retail purchase is now sufficiently large to influence week-to-week or seasonal demand for meat.

There are over 30 million refrigerators in use in American homes. ^{1/} Over half of the refrigerators produced this year had a capacity of 8 cubic feet or more. Most units of this size have compartments that maintain temperatures for freezing or storage of frozen foods. Estimates on the number of deep-freeze units in use vary from 2 1/4 to 3 million. These units, too, are increasing in capacity, as this year's sales include many of 8, 10, and 12 cubic feet volume. ^{2/} Additional locker plants are being put into use, although at a decreasing rate. There are approximately 5 million lockers available in freezer locker plants throughout the country. ^{3/} These individual lockers will average about 6 cubic feet capacity. The combined storage space of these storage units (refrigerators, deep-freeze units, and lockers) with temperatures low enough for safe storage of meat is estimated to be considerably larger than the volume of freezer space used for meat in commercial cold-storage houses.

^{1/} Electrical Merchandising, January 1950, p. 86.

^{2/} Ibid, p. 87.

^{3/} Report of L. B. Mann, FCA, before National Frozen Food Locker Association, September 1950.

Very few data are available as to how consumers apportion their cold-storage space among various foods, or how often they restock their space. One local survey reported 50 percent of the content of home freezers as occupied by meat, and indicated that probably a higher percentage of locker space is so used ^{1/}. For both lockers and deep-freezers, the quantity of meat held may vary at different times of the year according to the supplies of meat and of products competing for space. Substantial quantities of meat may be kept in the freezing compartments of home refrigerators, but the quantities on hand probably do not vary much through the year since they are restocked frequently by small purchases. Cold-storage lockers and deep-freeze units are more important than refrigerators from the standpoint of seasonal changes in demand for meat.

The full effects of movements to or from cold storage units is probably not felt at the retail level since farmers rely heavily upon their own home produced supply of meat. Approximately two-thirds of the freezer lockers are rented by farmers, but probably a somewhat smaller proportion of all deep freeze units is on farms.

If consumers use somewhat more than half their deep-freezer and locker space for meat, they may have room for 1 billion pounds. This would be about 50 percent more than the meat and meat products in commercial cold-storage houses on July 1 this year. In comparison with the 5 to 6 billion pounds of meat consumers use each quarter, the volume of home storage is substantial. Home freezers and lockers, like any other storage, can be a source of stability or instability in weekly or seasonal demand and prices, depending on how they are used. If buying for them is done in weeks or in seasons of large supplies and low prices, they will have an affect of smoothing out the weekly or seasonal price changes. If buying is done less judiciously, variations can be accentuated.

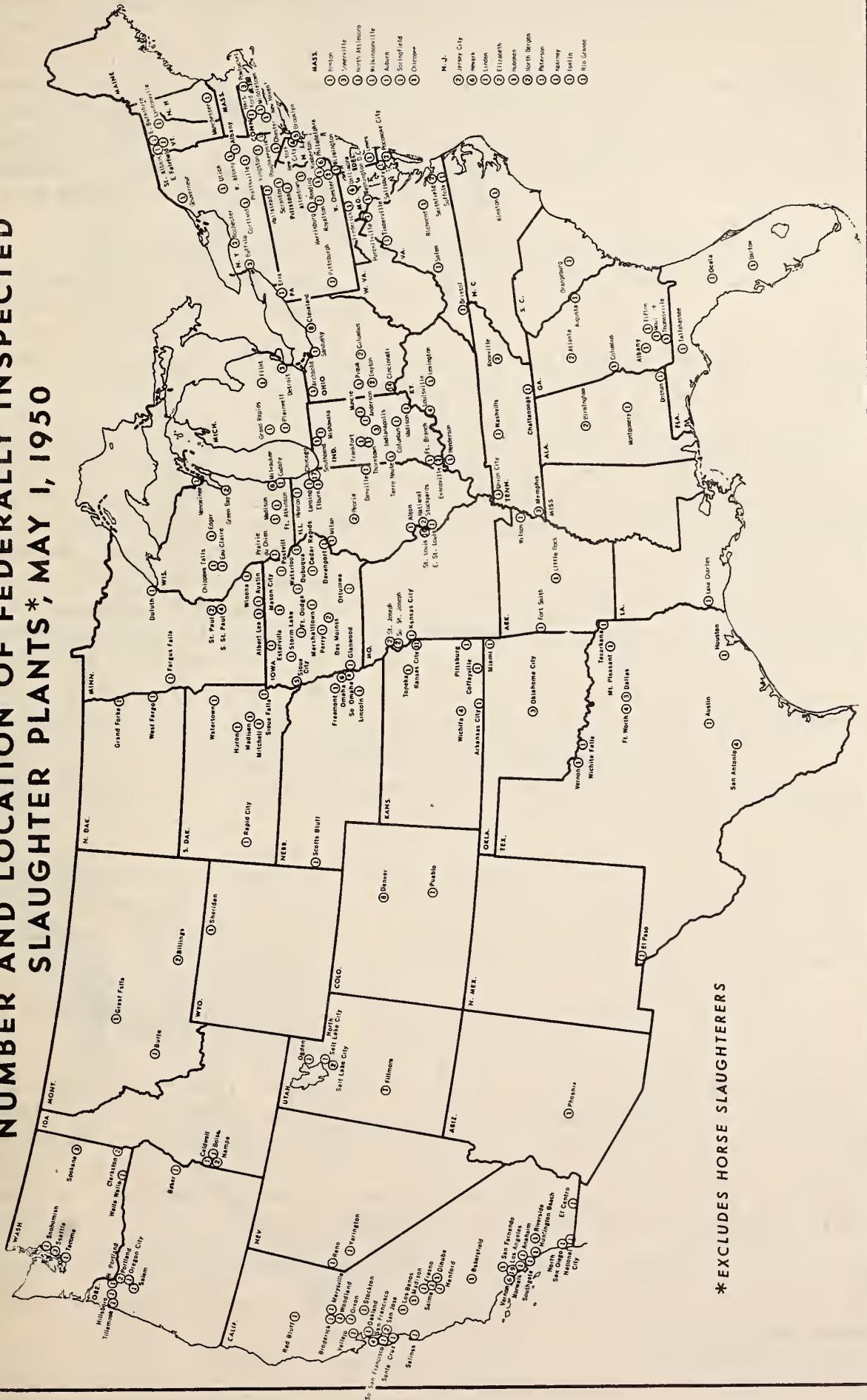
There is some evidence that meat prices this summer were influenced by movements to and from home storage. Undoubtedly, those who bought in late June and early July when meat supplies were seasonally low contributed to a stronger demand than usual. Later this summer many of these buyers were drawing on reserves and thus were not in the current market on the same scale as they otherwise would have been. Also, they will buy less meat this fall than they would have bought had they waited for the flush-supply season to restock their freezers and lockers.

LOCATION OF FEDERALLY INSPECTED AND OTHER COMMERCIAL SLAUGHTERING PLANTS AND RECENT TRENDS IN SLAUGHTER VOLUME.

Livestock are slaughtered at a wide range of locations and in a broad variety of establishments. Large numbers, especially of hogs, are killed and dressed on farms. Commercial slaughter, which is all slaughter other than on farms, is made up of three different types of operation: (1) wholesale slaughter under Federal inspection; (2) wholesale slaughter not under Federal inspection; (3) retail slaughter.

^{1/} The Relation Between Locker Plants and Home Freezers in the Distribution of Frozen Foods in Arizona. PMA, USDA, June 1950.

NUMBER AND LOCATION OF FEDERALLY INSPECTED
SLAUGHTER PLANTS*, MAY 1, 1950



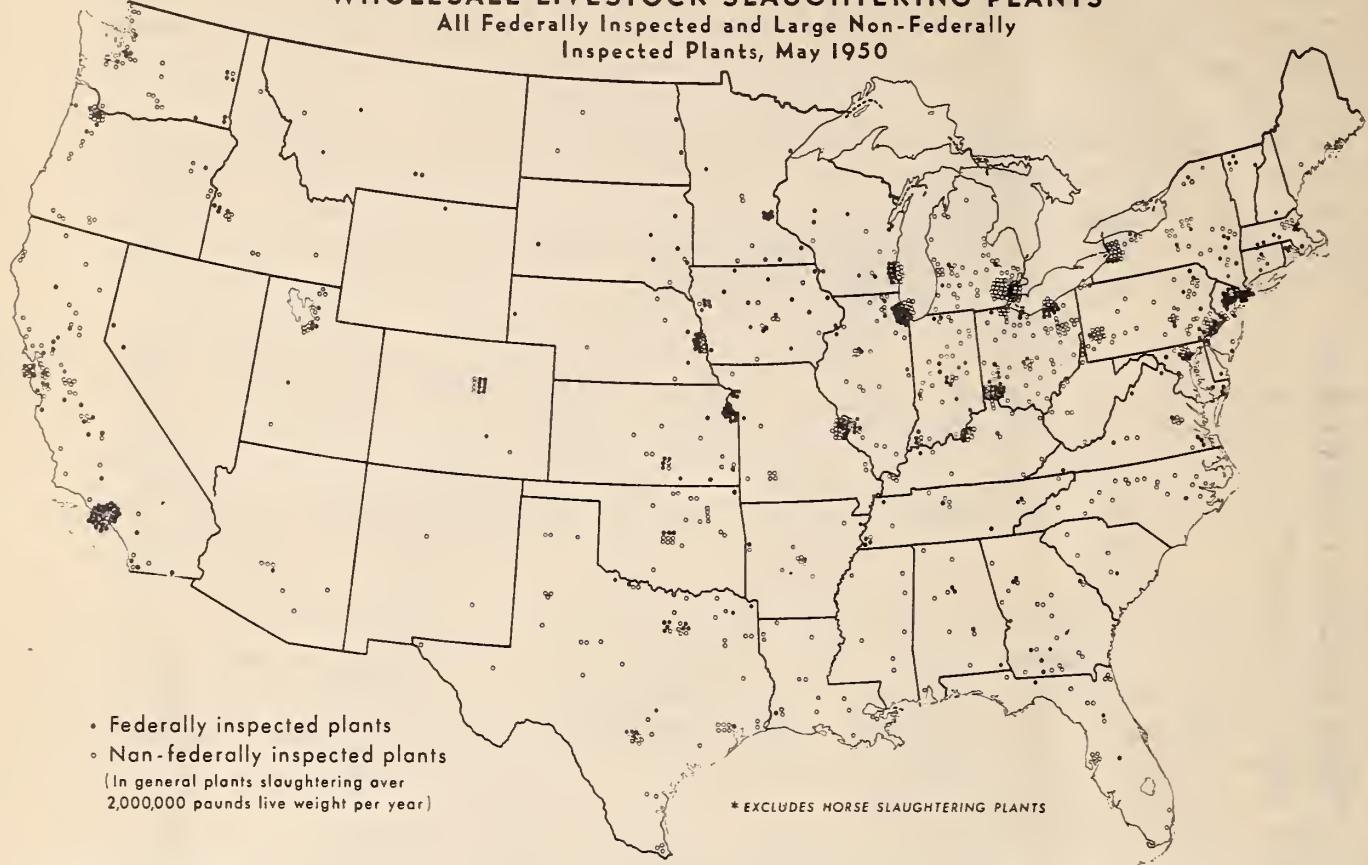
* EXCLUDES HORSE SLAUGHTERERS

U. S. DEPARTMENT OF AGRICULTURE

NO. 4/686-X BUREAU OF AGRICULTURAL ECONOMICS

WHOLESALE LIVESTOCK SLAUGHTERING PLANTS*

All Federally Inspected and Large Non-Federally
Inspected Plants, May 1950

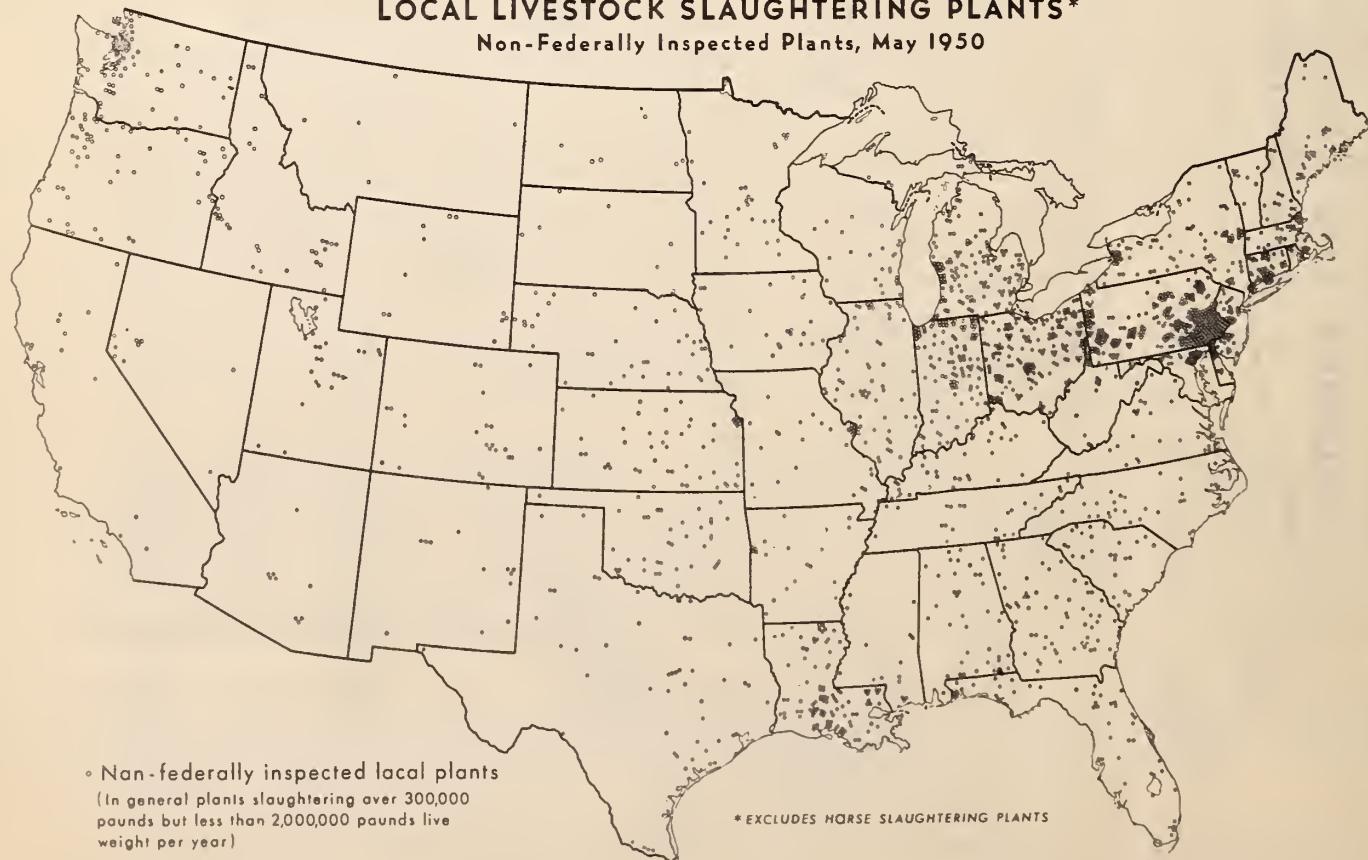


U. S. DEPARTMENT OF AGRICULTURE

NEG. 47746-X BUREAU OF AGRICULTURAL ECONOMICS

LOCAL LIVESTOCK SLAUGHTERING PLANTS*

Non-Federally Inspected Plants, May 1950



U. S. DEPARTMENT OF AGRICULTURE

NEG 47747-X BUREAU OF AGRICULTURAL ECONOMICS

In May this year there were 441 wholesale establishments under Federal inspection (not counting the 18 inspected slaughterers of horses) and 725 wholesale plants not under Federal inspection. There were more than 2,000 "local" slaughterers, who, together with the several thousand butchers, make up retail slaughter.

The 725 non-federally-inspected wholesale plants generally each slaughter 2 million or more pounds live weight per year. Local slaughterers are regarded as those handling less than 2 million but more than 300,000 pounds live weight annually. Small establishments slaughtering less than 300,000 pounds are termed butchers.

Although non-federally-inspected wholesale plants and local plants do not receive Federal inspection, many of them operate under State or municipal health inspection.

The location of wholesale and local slaughterers as of May 1950 is shown in the accompanying charts. The first chart identifies by cities the 441 plants receiving Federal inspection. The second shows the geographic position of all wholesale establishments, those under Federal inspection being indicated by a solid dot and those not under Federal inspection by an open circle. The third chart spots the local slaughterers--those not under Federal inspection which are smaller than wholesale slaughterers but larger than butchers.

The 441 plants now receiving Federal inspection is the smallest number since 1943. The number under Federal inspection increased during the war to a peak in 1945 and 1946 and has decreased since (table 3).

Table 3.- Number of establishments conducting slaughter under Federal inspection, June 30, 1940-50

| Year | Number 1/ |
|------|-----------|
| 1940 | 305 |
| 1941 | 304 |
| 1942 | 299 |
| 1943 | 422 |
| 1944 | 475 |
| 1945 | 541 |
| 1946 | 545 |
| 1947 | 460 |
| 1948 | 481 |
| 1949 | 459 |
| 1950 | 441 |

1/ Excludes slaughterers of horses.

Compiled by Livestock Branch, PMA from records of Bureau of Animal Industry.

Expansion of the Federal meat inspection service during the war was stimulated by several wartime regulations. The Fulmer Act of June 1942 authorized the Secretary of Agriculture to provide meat inspection during the war emergency to meat packing plants not then receiving inspection but desiring to engage in interstate commerce in meats. A War Food Administration Order of 1944 extended inspection on cattle slaughter. Many plants were granted full or limited inspection under these authorities.

Augmented by the additional plants under inspection and favored by certain requirements calling for inspected meat, Federal inspected slaughter became an increasing proportion of the commercial total. Cattle slaughter under inspection reached 73.5 percent of the commercial total in 1944. For hogs, the percent under inspection that year was 81.7. Peaks were less evident for calves and lambs (table 4).

Events of the latter price-control period led to an increase in the percentage of commercial slaughter that was done by the smaller, non-federally-inspected slaughterers, and to a corresponding decline in the percentage under Federal inspection. The percentage of cattle slaughter under inspection slipped to 60 percent in 1946, and the percentage of hog slaughter was down to 70 and 71 percent in 1945 and 1946.

In 1947 the relative importance of federally inspected slaughter increased markedly. The increase came about as conditions of marketing and distribution returned more nearly to their prewar character. Since 1947, there has been a more gradual uptrend in the part of commercial slaughter carried on by federally inspected slaughterers. The uptrend occurred despite fewer plants under Federal inspection, and despite an extended packing-house strike in 1948 that gave a temporary advantage to the smaller non-inspected firms. In 1949, the percentage of commercial slaughter under Federal inspection was up to 73 1/2 percent for cattle and 83 percent for hogs.

In the first half of 1950, inspected and non-inspected commercial slaughter held about their 1949 standing relative to each other. It appears, though, that during the spring and summer period of increasing demand for meat, non-inspected slaughterers gained some advantage as compared with the previous summer. In July, the percentage of slaughter that was conducted in non-inspected plants was larger than in July 1949 for all species of meat animals except sheep.

Greater use of cold-storage lockers and home freezers may give a small stimulus to non-inspected slaughterers, especially local slaughterers and butchers. Certain other factors, such as any increases in consumer acceptance of brand-name meats, sped by national advertising, would seem to favor the larger, inspected packers. Because of these and other factors, and with conditions in the new defense period not clear, there is no certain indication of future trends in the relative position of federally inspected and non-inspected slaughterers.

Table 4.- Volume of slaughter in federally inspected and all other commercial establishments, with percentage comparisons, 1941-49

| Year | Commercial slaughter | | Percent of total | | Commercial slaughter | | Percent of total | |
|---|---|--|--|--|--|--|--|--|
| | Commercial slaughter | | Commercial slaughter | | Commercial slaughter | | Commercial slaughter | |
| | Other | Total | Other | Total | Other | Total | Other | Total |
| Federally:wholesale: inspected: and: retail: | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial | Federally:wholesale: inspected: and: retail |
| 1,000 head | 1,000 head | 1,000 head | Percent | 1,000 head | 1,000 head | Percent | 1,000 head | 1,000 head |
| 1941 | 10,932 | 4,916 | 15,848 | 69.0 | 31.0 | 5,461 | 3,107 | 8,568 |
| 1942 | 12,340 | 5,047 | 17,387 | 71.0 | 29.0 | 5,760 | 3,317 | 63.7 |
| 1943 | 11,721 | 5,416 | 17,137 | 68.4 | 31.6 | 5,209 | 4,111 | 9,077 |
| 1944 | 13,955 | 5,035 | 18,990 | 73.5 | 26.5 | 7,769 | 5,749 | 9,320 |
| 1945 | 14,531 | 6,244 | 20,775 | 69.9 | 30.1 | 7,020 | 5,884 | 13,518 |
| 1946 | 11,402 | 7,479 | 18,881 | 60.4 | 39.6 | 5,841 | 5,569 | 12,904 |
| 1947 | 15,524 | 6,009 | 21,533 | 72.1 | 27.9 | 7,933 | 5,080 | 11,410 |
| 1948 | 12,994 | 5,392 | 18,386 | 70.7 | 29.3 | 6,907 | 4,860 | 13,013 |
| 1949 | 13,222 | 4,791 | 18,013 | 73.4 | 26.6 | 6,449 | 4,379 | 11,767 |
| | | | | | | | | |
| | Cattle | | Cattle | | Cattle | | Cattle | |
| | 18,122 | 3,605 | 21,727 | 83.4 | 16.6 | 46,520 | 12,088 | 58,608 |
| | 21,624 | 3,383 | 25,007 | 86.5 | 13.5 | 53,897 | 12,117 | 58,608 |
| | 23,363 | 3,134 | 26,497 | 88.2 | 11.8 | 63,431 | 17,779 | 81,210 |
| | 21,875 | 2,918 | 24,793 | 88.2 | 11.8 | 69,017 | 15,500 | 84,517 |
| | 21,218 | 2,850 | 24,068 | 88.2 | 11.8 | 40,960 | 17,300 | 58,260 |
| | 19,884 | 2,350 | 22,234 | 89.4 | 10.6 | 44,394 | 18,000 | 62,394 |
| | 16,667 | 1,540 | 18,207 | 91.5 | 8.5 | 49,116 | 12,813 | 71,239 |
| | 15,343 | 1,554 | 16,897 | 90.8 | 9.2 | 47,615 | 12,054 | 61,929 |
| | 12,136 | 1,240 | 13,376 | 90.7 | 9.3 | 53,032 | 10,712 | 63,744 |
| | Sheep and Lambs | | Sheep and Lambs | | Sheep and Lambs | | Sheep and Lambs | |
| | 1941 | 18,122 | 3,605 | 21,727 | 83.4 | 16.6 | 46,520 | 12,088 |
| | 1942 | 21,624 | 3,383 | 25,007 | 86.5 | 13.5 | 53,897 | 12,117 |
| | 1943 | 23,363 | 3,134 | 26,497 | 88.2 | 11.8 | 63,431 | 17,779 |
| | 1944 | 21,875 | 2,918 | 24,793 | 88.2 | 11.8 | 69,017 | 15,500 |
| | 1945 | 21,218 | 2,850 | 24,068 | 88.2 | 11.8 | 40,960 | 17,300 |
| | 1946 | 19,884 | 2,350 | 22,234 | 89.4 | 10.6 | 44,394 | 18,000 |
| | 1947 | 16,667 | 1,540 | 18,207 | 91.5 | 8.5 | 49,116 | 12,813 |
| | 1948 | 15,343 | 1,554 | 16,897 | 90.8 | 9.2 | 47,615 | 12,054 |
| | 1949 | 12,136 | 1,240 | 13,376 | 90.7 | 9.3 | 53,032 | 10,712 |
| | Hogs | | Hogs | | Hogs | | Hogs | |
| | 1941 | 18,122 | 3,605 | 21,727 | 83.4 | 16.6 | 46,520 | 12,088 |
| | 1942 | 21,624 | 3,383 | 25,007 | 86.5 | 13.5 | 53,897 | 12,117 |
| | 1943 | 23,363 | 3,134 | 26,497 | 88.2 | 11.8 | 63,431 | 17,779 |
| | 1944 | 21,875 | 2,918 | 24,793 | 88.2 | 11.8 | 69,017 | 15,500 |
| | 1945 | 21,218 | 2,850 | 24,068 | 88.2 | 11.8 | 40,960 | 17,300 |
| | 1946 | 19,884 | 2,350 | 22,234 | 89.4 | 10.6 | 44,394 | 18,000 |
| | 1947 | 16,667 | 1,540 | 18,207 | 91.5 | 8.5 | 49,116 | 12,813 |
| | 1948 | 15,343 | 1,554 | 16,897 | 90.8 | 9.2 | 47,615 | 12,054 |
| | 1949 | 12,136 | 1,240 | 13,376 | 90.7 | 9.3 | 53,032 | 10,712 |
| | Percent of total | | Percent of total | | Percent of total | | Percent of total | |
| | Other | Total | Other | Total | Other | Total | Other | Total |
| | Federally:wholesale: inspected: and: retail: | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial | Federally:wholesale: inspected: and: retail | Total com- mer- cial |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |

Percent of total

commercial slaughter

: Other

: Other

Percent of total

commercial slaughter

Selected Price Statistics for Meat Animals 1/

| Item | Unit | January-August | | 1950 | | |
|--|--------------|----------------|---------|-------|--------|--------|
| | | 1949 | | 1949 | 1950 | 1950 |
| | | 1950 | August | July | August | August |
| Cattle and calves | | | | | | |
| Beef steers, slaughter | | Dollars per: | | | | |
| Chicago, Choice and Prime | : 100 pounds | 26.92 | 32.54 | 28.01 | 31.63 | 31.37 |
| Good | : do. | 25.00 | 28.76 | 26.50 | 30.62 | 29.97 |
| Medium | : do. | 22.89 | 26.20 | 23.06 | 28.68 | 28.02 |
| Common | : do. | 20.26 | 22.99 | 18.20 | 24.16 | 23.51 |
| All grades | : do. | 24.80 | 28.04 | 26.28 | 30.67 | 30.09 |
| Omaha, all grades | : do. | 23.78 | 26.71 | 25.18 | 29.46 | 29.10 |
| Sioux City, all grades | : do. | 23.64 | 26.91 | 25.36 | 29.74 | 29.16 |
| Cows, Chicago | | | | | | |
| Good | : do. | 19.34 | 21.37 | 17.95 | 23.63 | 23.07 |
| Common | : do. | 16.01 | 18.39 | 14.31 | 20.43 | 20.11 |
| Canner and Cutter | : do. | 14.94 | 15.92 | 13.28 | 18.07 | 17.72 |
| Vealers, Good and Choice, Chicago | : do. | 27.83 | 30.31 | 25.96 | 30.10 | 31.84 |
| Stocker and feeder steers, Kansas City | : do. | 22.33 | 25.90 | 20.06 | 27.48 | 26.90 |
| Price received by farmers | | | | | | |
| Beef cattle | : do. | 20.28 | 22.26 | 19.40 | 24.50 | 24.10 |
| Veal calves | : do. | 23.52 | 25.32 | 22.00 | 26.70 | 27.40 |
| Hogs | | | | | | |
| Barrows and gilts | | | | | | |
| Chicago | | | | | | |
| 160-180 pounds | : do. | 20.67 | 18.78 | 20.54 | 23.16 | 22.76 |
| 180-200 pounds | : do. | 20.98 | 19.34 | 21.48 | 24.09 | 23.90 |
| 200-220 pounds | : do. | 20.99 | 19.46 | 21.91 | 24.22 | 24.32 |
| 220-240 pounds | : do. | 20.74 | 19.32 | 21.95 | 24.04 | 24.33 |
| 240-270 pounds | : do. | 20.26 | 18.95 | 21.73 | 23.39 | 24.08 |
| 270-300 pounds | : do. | 19.56 | 18.42 | 21.16 | 22.39 | 23.35 |
| All weights | : do. | 20.14 | 18.90 | 21.41 | 23.55 | 23.86 |
| Seven markets 4/ | : do. | 20.01 | 18.88 | 21.32 | 23.50 | 23.89 |
| Sows, Chicago | : do. | 16.51 | 16.02 | 17.86 | 18.97 | 20.32 |
| Price received by farmers | : do. | 18.99 | 17.85 | 19.40 | 21.50 | 21.60 |
| Hog-corn price ratio 5/ | | | | | | |
| Chicago, barrows and gilts | : do. | 14.9 | 13.2 | 16.4 | 15.1 | 15.6 |
| Price received by farmers, all hogs | : do. | 15.8 | 13.8 | 16.4 | 14.9 | 15.0 |
| Sheep and lambs | | | | | | |
| Sheep | | | | | | |
| Slaughter ewes, Good and Choice, Chicago | : do. | 11.13 | 11.65 | 8.90 | 9.32 | 11.51 |
| Price received by farmers | : do. | 9.73 | 10.57 | 8.78 | 10.40 | 10.90 |
| Lambs | | | | | | |
| Slaughter, Good and Choice, Chicago | : do. | 26.62 | 26.38 | 23.79 | 27.37 | 27.21 |
| Feeding, Good and Choice, Omaha | : do. | 622.66 | 725.69 | 22.66 | --- | 27.42 |
| Price received by farmers | : do. | 23.36 | 23.85 | 21.20 | 24.60 | 24.90 |
| All meat animals | | | | | | |
| Index number price received by farmers | | | | | | |
| (1910-14=100) | : 319 | 330 | 310 | 371 | 369 | |
| Meat | | | | | | |
| Wholesale, Chicago | | Dollars per: | | | | |
| Steer beef carcass, Good, 500-600 pounds | : 100 pounds | 40.62 | 45.61 | 43.95 | 49.50 | 48.10 |
| Lamb carcass, Good, 30-40 pounds | : do. | 51.40 | 8/51.05 | 49.20 | 53.88 | 51.60 |
| Composite hog products, including lard | | | | | | |
| 72.84 pounds fresh | : Dollars | 21.99 | 20.24 | 23.06 | 24.31 | 24.57 |
| Average per 100 pounds | : do. | 30.19 | 27.79 | 31.66 | 33.37 | 33.73 |
| 71.32 pounds fresh and cured | : do. | 25.43 | 23.35 | 26.86 | 27.62 | 27.80 |
| Average per 100 pounds | : do. | 35.66 | 32.74 | 37.66 | 38.73 | 38.98 |
| Retail, United States average | : Cents | | | | | |
| Beef, Good grade | : per pound | 65.6 | 71.6 | 67.8 | 77.9 | 77.8 |
| Lamb | : do. | 69.0 | 68.7 | 69.4 | 73.0 | 70.7 |
| Pork, including lard | : do. | 41.6 | 39.4 | 43.2 | 43.7 | 46.0 |
| Index number meat prices (BLS) | | | | | | |
| Wholesale (1926=100) | : 224 | 230.9 | 224.4 | 260.1 | 258.3 | |
| Retail (1935-39=100) | : 229 | 236.7 | 237.3 | 259.0 | 258.5 | |

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Cutter and Common.

3/ Average for prices of Cutter and Common, and of Canner (Low Cutter).

4/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, and S. St. Paul.

5/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

6/ Price for August only.

7/ Average of prices for January, February, March and August.

8/ Average of prices of 45-50 lb. lamb for all months except January, July and August.

Selected marketing, slaughter and stocks statistics for meat animals and meats 1/

| Item | Unit | January-August | | | 1950 | | |
|---|-----------|----------------|--------|-------|--------|--------|-------|
| | | 1949 | 1950 | 1949 | July | August | Sept. |
| | | August | August | July | August | August | Sept. |
| Meat animal marketings | | | | | | | |
| Index number (1935-39=100) | | 130 | 132 | 134 | 119 | 134 | |
| Stocker and feeder shipments to | | | | | | | |
| 8 Corn Belt States :1,000 | | | | | | | |
| Cattle and calves | head | 1,172 | 1,195 | 384 | 152 | 239 | |
| Sheep and lambs | do. | 1,128 | 1,257 | 335 | 153 | 355 | |
| Slaughter under Federal inspection | | | | | | | |
| Number slaughtered | | | | | | | |
| Cattle | do. | 8,660 | 8,477 | 1,232 | 1,070 | 1,184 | |
| Calves | do. | 4,235 | 3,896 | 549 | 443 | 484 | |
| Sheep and lambs | do. | 7,666 | 7,709 | 1,126 | 960 | 1,076 | |
| Hogs | do. | 31,713 | 34,804 | 3,417 | 3,314 | 3,626 | |
| Percentage sows | Percent | 17 | 17 | 34 | 38 | 31 | |
| Average live weight per head | | | | | | | |
| Cattle | Pounds | 982 | 985 | 961 | 973 | 974 | |
| Calves | do. | 195 | 199 | 243 | 226 | 241 | |
| Sheep and lambs | do. | 94 | 97 | 92 | 91 | 93 | |
| Hogs | do. | 255 | 249 | 262 | 278 | 259 | |
| Average production | | | | | | | |
| Beef, per head | do. | 542 | 542 | 524 | 535 | 536 | |
| Veal, per head | do. | 110 | 111 | 136 | 127 | 135 | |
| Lamb and mutton, per head | do. | 44 | 46 | 43 | 44 | 44 | |
| Pork, per head 2/ | do. | 143 | 139 | 147 | 156 | 144 | |
| Pork, per 100 pounds live weight 2/ | do. | 56 | 56 | 56 | 56 | 55 | |
| Lard, per head | do. | 38 | 37 | 38 | 40 | 38 | |
| Lard, per 100 pounds live weight | do. | 15 | 15 | 14 | 14 | 14 | |
| Total production | :Million: | | | | | | |
| Beef | pounds | 4,666 | 4,575 | 642 | 570 | 632 | |
| Veal | do. | 461 | 431 | 74 | 56 | 65 | |
| Lamb and mutton | do. | 337 | 355 | 48 | 42 | 47 | |
| Pork 2/ | do. | 4,517 | 4,830 | 500 | 515 | 519 | |
| Lard | do. | 1,210 | 1,273 | 128 | 133 | 136 | |
| Total commercial slaughter 3/ | | | | | | | |
| Number slaughtered | :1,000 | | | | | | |
| Cattle | head | 11,794 | --- | 1,672 | 1,474 | --- | |
| Calves | do. | 7,150 | --- | 930 | 767 | --- | |
| Sheep and lambs | do. | 8,472 | --- | 1,254 | 1,062 | --- | |
| Hogs | do. | 32,472 | --- | 4,171 | 4,022 | --- | |
| Total production | :Million: | | | | | | |
| Beef | pounds | 6,081 | --- | 835 | 754 | --- | |
| Veal | do. | 783 | --- | 123 | 97 | --- | |
| Lamb and mutton | do. | 371 | --- | 54 | 46 | --- | |
| Pork 2/ | do. | 5,401 | --- | 598 | 607 | --- | |
| Lard | do. | 1,365 | --- | 145 | 152 | --- | |
| Cold storage stocks first of month | | | | | | | |
| Beef | do. | --- | --- | 68 | 60 | 61 | 72 |
| Veal | do. | --- | --- | 7 | 7 | 6 | 7 |
| Lamb and mutton | do. | --- | --- | 7 | 7 | 6 | 6 |
| Pork | do. | --- | --- | 367 | 469 | 394 | 299 |
| Total meat and meat products 4/ | do. | --- | --- | 547 | 633 | 543 | 462 |

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Excludes lard.

3/ Federally inspected, and other wholesale and retail.

4/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

U. S. Department of Agriculture
Washington 25, D. C.

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